

Star Branch, Nampa Stake, formerly a dependent Branch.
 Carbonville Branch, North Carbon Stake.
 Ophir Branch, Tooele Stake.
 Yucaipa Branch, San Bernardino Stake, formerly part of Redlands Ward.

Independent Branch Discontinued:

Avondale Branch, Phoenix Stake disorganized, members transferred to the Glendale and Capitol Wards.

Those Who Have Passed Away:

Alvin F. Smith, Church Librarian, January 4, 1948.

Elias A. Smith, December 6, 1947.

STATISTICAL REPORT

| | |
|--------------------------------------|-------|
| Number of Stakes of Zion | 170 |
| Number of Wards | 1,293 |
| Number of Independent Branches | 132 |

| | |
|--|-------|
| Total Wards and Independent Branches | 1,425 |
|--|-------|

| | |
|--------------------------|----|
| Number of Missions | 42 |
|--------------------------|----|

Church Membership:

| | |
|----------------|---------|
| Stakes | 843,021 |
| Missions | 173,149 |

| | |
|-------------|-----------|
| Total | 1,016,170 |
|-------------|-----------|

Church Growth:

| | |
|--|--------|
| Children blessed in stakes and missions | 36,458 |
| Children baptized in stakes and missions | 18,264 |
| Converts baptized in stakes and missions | 10,471 |

Social Statistics:

| | |
|----------------------------------|------|
| Birth rate per thousand | 43.9 |
| Marriage rate per thousand | 19.2 |
| Death rate per thousand | 5.8 |

Missionaries:

| | |
|--|-------|
| Number of missionaries in the missions of the Church.. | 4,132 |
| Number engaged in missionary work in the stakes..... | 3,298 |

| | |
|--------------------------|-------|
| Total Missionaries | 7,430 |
|--------------------------|-------|

| | |
|--|-------|
| Number of missionaries who received training in the mission home during 1947 | 2,134 |
|--|-------|

PRESIDENT J. REUBEN CLARK, JR.*First Counselor in the First Presidency*

My brethren and sisters: Here are more statistics. I hope you get more pleasure out of hearing them than I get out of reading them. There is one situation, however, and a very important one, that I should like to call to your attention, and that is that the figures are all in the black. There are none in the red.

Before reading the annual financial statement, we may note a few preliminary matters, some by way of repetition of what has been said on like occasions heretofore.

REVELATION AT FISHING RIVER

At Fishing River, Missouri, June 22, 1834, the Lord declared that 'the commandments which he had given concerning Zion and her law should be executed and fulfilled after Zion's redemption.' (D. & C. 105:34.) This suspended the operation of the United Order in Zion—i.e., Missouri. The Order continued for a time thereafter in Kirtland, but was later discontinued there.

In the years immediately following there was no organized plan for meeting the money needs of the Church, and the financial situation became increasingly serious.

THE LAW OF TITHING

In July of 1838 (four years after the Fishing River revelation) the Prophet was again in Missouri, at Far West. On the eighth of the month, the Prophet, urged by the serious financial needs of the Church, went to the Lord, enquiring:

O Lord! Show unto thy servant how much thou requirest of the properties of thy people for a tithing. (D.H.C. 3:44.)

The Lord answered with two revelations—the first giving the law of tithing (D. & C. 119), and the other fixing the order of its distribution. (D. & C. 120.)

COUNCIL ON THE DISTRIBUTION OF TITHES

Pursuant to these revelations, and as explained at recent conferences, the Church has a Council on the Distribution of Tithes, made up of the First Presidency, the Council of the Twelve, and the Presiding Bishopric. This Council considers the proposed budget of the Church, which is itemized under general headings, and then approves and authorizes such expenditures as it deems proper.

A subcommittee of this Council on the Distribution of Tithes then makes the detailed appropriations from the sums approved and authorized by the Council. This subcommittee is known as the Committee on Expenditures, and is made up of the First Presidency, three members of the Council of the Twelve, and the Presiding

Bishopric. A Church Building Committee acts under the direction of the Committee on Expenditures. The Financial Secretary to the First Presidency acts as the secretary of the Committee on Expenditures.

The budget authorized by the Council on the Distribution of Tithes is made up of two parts:

1. The regular approved authorizations for the various items covered by the budget, in the amounts estimated as necessary to carry on the work of the Church for each item of expenditure; and

2. A contingent reserve out of which can be met any unusual expenditures not provided for in the budget, either as to budget items or as to special or unforeseen expenditures. This contingent reserve is likewise spent under the authorization of the Committee on Expenditures. In 1947 the reserve set up was a little over eight percent of the total budget appropriations from the general funds of the Church; this year (1948 budget) this reserve equals about five percent of the itemized budget. Last year the reserve was more than ample to cover the supplementary appropriations. It is believed the reserve for this year will be likewise sufficient.

All unexpended appropriations lapse with the end of the fiscal year and are returned to and are absorbed into the general funds of the Church, subject to appropriation therefrom as are other like Church funds.

EXPENDITURES OF THE CHURCH

The expenditures of the Church are increasing at what seems to me to be a disquieting rate. For the ten years 1936 to 1945, both inclusive, the average expenditure from our general Church funds was just under \$5,000,000 annually. As we reported to you at the last April conference, the expenditures for 1946 equaled \$6,890,000 from general Church funds, and, including all other cash expenditures made by the people on various accounts, the expenditures amounted in total to \$12,310,000. As we shall see, expenditures for 1947 were \$11,263,000 out of general Church funds (or \$4,373,000 more than in 1946,) while the total cash expenditures, general funds, plus non-budget funds contributed by the people, were \$18,919,000 (or \$6,609,000 more than 1946). The total cash expenditures, including budget and nonbudget items for 1948 are put at over \$20,000,000.

I may observe that we owe no money. We shall not have to borrow any money to meet our budget. But in my own view, we must all watch more carefully our spending.

As individuals our standard has become, not our need, nor our comfort only, but our luxury. Many of us are not yet willing to bring ourselves under control and to quit spending not only all of our savings, but also all we are making, and in addition, running in debt on instalment buying. Our young people, particularly our boys returned from the service, are being inveigled into running debts that, in most cases, will take all their surplus (if they have any) for the next ten to twenty years, and under circumstances and conditions that will cause them to lose everything they have put into

their ventures, if there should come to them any incapacitating illness, or accident, or if death came, or if the hard times should come that so many predict and that some fear are even now beginning.

DANGER OF INFLATION

Unemployment is increasing, and if it continues it could become serious. In that event, if we shall follow the pattern other countries have followed, we must not be too surprised if the people, accustomed over the last few years to a certain standard of living and not having money enough to buy the things that will enable them to continue that standard of living, raise the cry that there is not enough money. In other countries when this cry has become sufficiently insistent and from sufficiently large numbers, they have started the printing presses going to print money, always under the delusion that the presumed restrictions and safeguards which are then provided, would enable the stopping of the money flood before it becomes dangerous. But again, if the pattern of other countries worked out here, it would not be possible to stop this flood of paper money once it was well started, and then would follow the inflation that ruins not the very wealthy, but those of moderate means and those with means that are less than moderate. In other words, the poor people are the ones who always suffer most in such financial debacles. Our people should remember the lessons of history, even very recent history, and do all they can to avoid this catastrophe, for such it has always proved to be in the past.

MODERATION IN EXPENDITURES

As to Church spending, for my own part, I should like to urge the people to cease building cathedrals for ward meetinghouses, and to stop furnishing them as if they were palaces. I think I should say to you that the First Presidency is not urging the building of these expensive, luxurious buildings; indeed, they consider that often the load placed upon the people thereby is both unfair and unwise; they feel we could well be much more moderate in many of our expenditures.

The Lord still does not look at the magnificence of our meetinghouses, nor at the luxury of the pews, nor at our expensive carpeting, nor at our overstuffed furniture and the mahogany chairs of the foyer and of the high council and other rooms. The Lord still looks at the humble heart and the contrite spirit of his children, and as he said when he walked with his apostles in the Holy Land:

... where two or three are gathered together in my name, there am I in the midst of them. (Matthew 18:20.)

It is not the place in which we meet, but the spirit in which we gather together that concerns the Lord. Not pride but humility brings him into our midst.

I will now read the financial statement:

1947 Financial and Statistical Report

CHURCH DISBURSEMENTS—1947 PART I—CHURCH BUDGET CASH EXPENDITURES FROM GENERAL CHURCH FUNDS, BOTH TITHING AND NON-TITHING INCOMES

Total cash budget appropriations for 1947 \$12,744,773.00
Total cash budget expenditures for 1947 11,263,344.00

Excess of appropriations over expenditures for 1947 \$ 1,481,429.00

As a preliminary statement, I should like to say this regarding salaries: The Church has not and does not now pay extravagant salaries. We have tried to accommodate the salaries of those who draw compensation from the Church to the "Little Steel formula." In addition to that we have made certain adjustments in particular cases to meet the needs of the individual. We have tried to see that no one suffered. We have been unable to relieve them of the necessity of living modestly and frugally, but we do have in mind their needs, that none shall suffer.

| | Budget Appropriation, 1947 | Supplementary Appropriation | Budget Expenditures, 1947 | Un- expended |
|---|----------------------------------|--------------------------------|---------------------------------|-----------------|
| Office of the Corporation of the President Including the salaries of 80 employees, expenses of offices, equipment, maintenance of the administration building, and the living allowances and traveling expenses of the General Au- thorities, all of which are covered by non-tithing income..... | \$ 334,076.00 | \$ 26,274.00 | \$ 356,898.00 | \$ 3,452.00 |
| Office of the Corporation of the Presiding Bishopric Including the salaries of 115 employees, expenses of the Aaronic Priesthood program, traveling expenses of the Presiding Bish- opric, taxes, special printing, and departmental expenses, all of which are covered by non-tithing income | 301,780.00 | | 288,628.00 | 13,152.00 |
| Temples For the operating expenses, including the salaries of 308 em- ployees, and the building maintenance, repairs and renovation of the eight temples of the Church. | 515,448.00 | 54,149.00 | 404,105.00 | 165,492.00 |

Missions and Missionary Work
For the maintenance and operation of the established missions;
living and traveling expenses of mission presidents; return
fares of missionaries; free literature; servicemen's welfare; the
erection, remodeling, purchase, maintenance, and renting of

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| buildings; and the expenses of the Bureau of Information and the mission home in Salt Lake City | 1,527,820.00 | 239,191.00 | 1,729,542.00 | 37,469.00 |
| Stake and Ward Expenses | | | | |
| Allowances to 169 stakes and 1,425 wards and independent branches, including the maintenance of 1,688 stake, ward, and branch buildings; expenses and mileage allowances to stake presidents and bishops; furnishings for stake and ward offices, stake and ward taxes, and stake and ward printing | 1,418,890.00 | 95,510.00 | 1,509,631.00 | 4,769.00 |
| Church Welfare | | | | |
| For the purchase of equipment and commodities; for the operating expenses of general committee storehouses, the Deseret Industries and the Deseret clothing factory; for land and building purchases and general committee administrative expenses; for the care of the needy consisting of rents, light, heat, hospitalization, burials, etc. | 1,065,480.00 | 176,924.00 | 1,242,123.00 | 281.00 |
| Church Schools | | | | |
| For the operating expenses of Brigham Young University, Ricks College, L.D.S. Business College, Juarez Academy, 15 institutes and 100 seminaries; for operating expenses of the Department of Education, including the salaries of 438 teachers and 39 administrative officers and employees; and for the maintenance, repairs, and improvement of buildings | 3,267,950.00 | 46,775.00 | 2,707,342.00 | 607,383.00 |
| Educational Institutions, other than Church schools, institutes, and seminaries | | | | |
| Consisting of the McCune School of Music and Art; Deseret Gymnasium, Society for the Aid of the Sightless, and the General Music Committee | 73,456.00 | 11,518.00 | 37,757.00 | 47,217.00 |
| Building Operations | | | | |
| For the maintenance of the buildings and grounds on the Temple Block, and the Tabernacle organ; for the maintenance of other Church properties situated immediately adjacent to the Temple Block; for the erection, repairing, and renovating of ward buildings and \$54,076.55 for the construction, equipping, and maintenance of hospital buildings | 2,319,150.00 | 252,720.00 | 2,075,487.00 | 496,383.00 |
| Historic Monuments and Bureaus of Information | | | | |
| For the repair and maintenance of properties at Palmyra, New York; South Royalton, Vermont; Carthage, Illinois; and memorial cemeteries | 24,440.00 | 19,683.00 | 43,418.00 | 705.00 |

| | | | | |
|---|-----------------|--------------|-----------------|----------------|
| Land Purchases and Operation of Farm Projects Consisting of Papago and Washakie Indian projects, and Canadian and other lands | 264,000.00 | 3,421.00 | 246,329.00 | 21,092.00 |
| Church Committee on Radio and Publicity For publicity and mission literature | 41,481.00 | | 38,379.00 | 3,102.00 |
| Genealogical Society and Index Bureau For the maintenance of the Church genealogical library record archives, temple index bureau, and allied departments, and for the recording, indexing, photographing, and filing of genealogical and temple ordinance data, including the names of 431,665 persons forwarded to the eight temples for baptisms and endowments, and for the salaries of 173 full-time employees | 425,218.00 | 9,438.00 | 433,129.00 | 1,527.00 |
| <p>I think it may be well to say here that under arrangements which have been made and which we are making, we are photomicrofilming the public records of several of the countries of Europe as well as parts of the United States. Great as our genealogical library already is, when we get through with this operation which we are now undertaking, it will, I am sure, be easily the greatest genealogical library in the world; and our people will be able to come here to our library, those who come from foreign lands or whose ancestors come from foreign lands—and all of us came from foreign lands originally—will be able to come to our library here and do their record work here in great part which heretofore they had to go to Europe to do.</p> | | | | |
| Other Expenses Consisting of contributions to civic denominations and educational institutions; salaries of Tabernacle Choir conductors and organists, improvements to the Tabernacle organ; taxes; welfare assistance by the general Church offices; public liability and other insurance; Utah centennial expenses, etc. | 165,584.00 | 12,853.00 | 150,576.00 | 27,861.00 |
| Unallocated balance of original budget appropriation for contingencies | 51,544.00 | | | 51,544.00 |
| Total Budget and Expenditures | \$11,796,317.00 | \$948,456.00 | \$11,263,344.00 | \$1,481,429.00 |

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Part II—NON-BUDGET AND NON-TITHING EXPENDITURES FROM CONTRIBUTIONS BY MEMBERS OF THE CHURCH FOR THE YEAR 1947

The expenditures budgeted from general Church funds and paid principally from the tithes are detailed here. The following expenditures were made from further contributions by members of the Church:

| | |
|--|-----------------|
| Paid for stake and ward building purposes | \$ 1,484,341.00 |
| Expended for stake, ward, and mission maintenance purposes; expenses of auxiliary organizations and for recreation | 2,691,596.00 |
| Expended from ward and mission fast offerings | 1,084,908.00 |
| Expended from welfare contributions | 881,973.00 |
| Assistance rendered missionaries | 200,507.00 |
| Expended from general board dues; children's contributions to the Primary Hospital, and donations to temples | 254,474.00 |
| Expended by Church schools, in addition to amount listed under budget expenditures, from funds derived from tuitions and other sources | 1,018,000.00 |
| Total non-budget cash expenditures, 1947, from contributions, other than tithing, donated by the Church membership | 7,615,799.00 |
| Expended by the hospitals for the care of the sick, in addition to the amount paid from the tithes and included in part I | 40,358.00 |
| Total budget cash expenditures by general Church offices, brought forward | 11,263,344.00 |
| Total cash expenditures, budget and non-budget, of the Church for the year 1947 | \$18,919,501.00 |

Part III—THE CHURCH WELFARE PROGRAM

FAST OFFERING DATA

Number of Church members who paid voluntary fast offerings and welfare contributions:

| | |
|-----------------------|---------|
| In the wards | 176,808 |
| In the missions | 44,499 |
| Total | 221,307 |

Amount of voluntary fast offerings and welfare contributions:

| | |
|-----------------------------|---------------|
| In the wards: | |
| Fast Offerings | \$ 916,515.00 |
| Welfare contributions | 934,825.00 |

In the missions:

| | |
|--|-----------------|
| Fast offerings | 88,648.00 |
| Total fast offerings and welfare contributions | \$ 1,939,988.00 |

Percent of Church members who paid fast offerings..... 24.2%

Average fast offerings per capita in wards \$1.23½

Average fast offerings per capita in missions (based on the number of missions reporting)521

Average fast offerings per capita, wards and missions 1.10

Average fast offerings and welfare contributions in wards 2.50

WELFARE PROGRAM CASH EXPENDITURES

| | |
|---|-----------------|
| Expended from ward and mission fast offerings and welfare contributions for the care of the needy consisting of food, clothing, rents, light, heat, hospitalization, burials, etc., and for the purchase of commodities for storehouses | \$ 1,966,881.00 |
| Disbursed by the general welfare committee for the operating costs of storehouses; for the overhead expenses of the general committee; and for the shipment of relief supplies to Europe..... | 493,386.00 |
| Disbursed by the corporations of the President and Presiding Bishop for direct assistance and for contributions to civic, denominational, and educational institutions | 428,187.00 |
| Expended by the hospitals for the care of the sick..... | 40,358.00 |
| Total relief cash expenditures for the year 1947 all included in above grand total of budget and non-budget cash expenditures | \$ 2,928,812.00 |

This is an increase over the year 1946 of..... \$ 1,103,172.00
 In addition to the cash expenditures of \$2,928,812.00 for welfare purposes, the general Church welfare committee makes the following further financial report, with a statement indicating the production and distribution of commodities for bishops' storehouses and inventories of commodities December 31, 1947.

*Summary of the Annual Report of the Church Welfare Plan,
 December 31, 1947*

FINANCIAL REPORT

Present Net Cash Value:

| | |
|---|-----------------|
| Current Assets (principally cash and notes and accounts receivable) | \$ 1,612,861.79 |
| Inventories (principally commodities) | 961,877.43 |
| Fixed Assets (land, buildings, etc.) | 3,563,508.03 |
| Total Assets | \$ 6,138,247.25 |

Fixed Assets Include:

Deseret Industries, Deseret Mills and Elevator, Deseret Clothing Factory, Deseret Coal Mine.

One hundred and ten bishops' storehouses having a total floor area of 458,713 square feet. This is 12 times the area covered by the Tabernacle; and a little more than the area of the Temple Block. There are 56 canneries included in the 110 bishops' storehouses.

Farms, ranches, dairies, and other regional and stake properties, made up of 17,278 acres of land, together with buildings, improvements, equipment, and livestock.

The Fixed Assets were acquired with funds secured from the following sources:

| | |
|---|-----------------|
| Cash from general Church funds, through the general committee | \$ 1,407,364.03 |
| Cash from wards, stakes, regions, and priesthood quorums..... | 1,707,363.00 |
| Donations, labor and property | 448,781.00 |
| Total | \$ 3,563,508.03 |

The fixed assets consist of:

| | |
|--|-----------------|
| Land and landscaping | \$ 1,492,564.74 |
| Buildings, furniture, and fixtures | 1,421,100.88 |
| Equipment and trucks | 543,669.41 |
| Livestock | 106,173.00 |
| Total | \$ 3,563,508.03 |

Materials Canned and/or Processed in Program's Own Plants in 1947

| | | |
|--|------------------|------------------|
| Vegetables, fruits, jams, and spreads | 1,132,557 quarts | (1,527,170 cans) |
| Meat, fish, and fowl | 16,037 pounds | (20,772 cans) |
| Milk, canned (each can equivalent to one quart fresh milk) | 653,472 cans | |
| Milk, bottled | 133,259 quarts | |
| Miscellaneous foods, drugs, and household items | 918,054 pounds | |
| Flour, cereals, and livestock feeds | 2,004,820 pounds | |

Total Production, Distribution, and Inventory of Commodities for Bishops' Storehouses, 1947

| Items | | 1947 Pro- duction | 1947 Dis- tribution | Inventory 12/31/47 |
|--|--------|----------------------|------------------------|-----------------------|
| Canned produce (milk, vegetables, fruits, jams, and spreads) | quarts | 1,939,868 | 792,169 | 1,330,092 |
| Animal products (butter, eggs, and meat) | pounds | 666,532 | 641,933 | 76,517 |
| Vegetables, fruits, and preservatives (not canned) | pounds | 2,556,295 | 1,604,206 | 731,171 |

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| Grains and grain products..... | pounds | 4,601,439 | 1,347,824 | 5,002,259 |
| Other foods | pounds | 27,908 | 98,483 | 66,415 |
| Various drugs and household supplies and soaps | items | 98,157 | 211,000 | 159,145 |
| Cotton, hay and miscellaneous items | pounds | 1,143,281 | Used to produce other budget items | 50,561 |
| Fuel (mostly coal) | tons | 9,370 | 5,283 | 4,426 |
| Clothing and dry goods | articles | 157,768 | 153,766 | 299,473 |
| Furniture | articles | 220 | 541 | 238 |

In addition to the distribution reported above, there were sent from storehouse stock to Saints in foreign missions 545,504 quarts canned produce, 184,072 pounds of meat and lard, 650,817 pounds of grain products and 44,391 bars of soap and miscellaneous items.

Group Canning

The following canning was done at welfare canneries for their own use by 632 groups, consisting of 12,345 people:

| | | |
|-----------------------------|----------------|--------------------|
| Fruits and vegetables | 715,785 quarts | (942,233 cans) |
| Meat and fish | 27,620 pounds | (22,709 cans) |
| | | <hr/> 964,942 cans |

Field Activities:

Field activities carried on in the production of the 1947 welfare budget include 818 crop projects, cultivating 4,758 acres of land; 227 livestock projects, which produced 1,736 head of livestock, 5,511 chickens, 282 rabbits, and 24 stands of bees.

Eighty-two thousand five hundred twenty-five man days of work were donated on these projects, and 11,552 man days of work were donated in operating storehouses and processing plants.

For purposes other than the production of the budget for the bishops' storehouse program, there were 140 crop projects, 49 livestock projects, and 55 manufacturing projects operated during 1947. These agricultural projects utilized 978 acres of land and produced 128 head of livestock.

Assistance Rendered:

There have been from 17,913 to 55,460 persons assisted through the bishops' storehouse program each year since 1938. In 1947, there were 24,458 persons so assisted in the United States. We also sent to Europe enough food and clothing to help a larger number, or over 50,000 persons all told in 1947.

During this period and outside of Europe more than 1,178 families have been helped to become self-supporting; 9,626 persons have been assisted in other ways; and 1,744 construction projects have been completed in addition to the construction for the bishops' storehouse program.

Welfare Meetings Being Held:

Of the 163 stakes reporting, 146 hold stake welfare committee meetings monthly or oftener, and 17 hold them less frequently. Of the 1,139 wards reporting, 247 hold weekly ward welfare committee meetings; 803 hold them less frequently; and 89 are not holding any meetings.

Persons Relinquishing Government Relief:

During the past five years 2,198 persons have relinquished their position on government relief rolls; of this number 948 have been rehabilitated and are receiving no aid from the Church, nor so far as known from any other gratuitous source, 810 are yet receiving part of their support from the Church; and 440 are receiving all their needs from the Church.

Relief Supplies Sent to Foreign Missions:

Relief supplies sent to European and Pacific missions through the welfare program, as of March 15, 1948. (Shipments commenced October 29, 1945.)

Eleven pound parcel post packages:

| | | |
|----------------------|--------|---------------------|
| To European missions | 8,319 | parcels of clothing |
| | 6,726 | parcels of bedding |
| | 31 | parcels of food |
| To Pacific missions | 556 | parcels of clothing |
| | 386 | parcels of food |
| Total | 16,018 | |

A total of 16,018 parcels which together with 1,059 quilts and blankets shipped by the United States missions to Holland and Germany and 5,747 pounds of food shipped to the Tahitian mission, is the equivalent of seven freight carloads, valued at \$88,730.00.

In addition to the foregoing, shipped by parcel post, we sent to Europe in bulk shipments:

| | | |
|------------|----|------------------|
| | 33 | cars of clothing |
| | 55 | cars of food |
| A total of | 88 | |

The value of these 88 cars was \$846,964.00.

This makes a total of 95 freight carloads, valued at \$935,694.00 shipped at a cost for cartons, transportation, insurance, and handling, and purchase of some items not available from storehouses, of \$345,319.47. A total of \$1,281,013.47.

The materials sent to foreign missions went to the Church members in Austria, Belgium, Great Britain, Czechoslovakia, Denmark, Finland, France, Germany, Netherlands, Norway, Japan, China, and Tahiti.

In addition to the above, the General Church Welfare Committee shipped 6,323 pounds of clothing to the Indians in the Navajo-Zuni Mission.

As President Smith told you yesterday, we have now shipped as of this date one hundred carloads of food and clothing to Europe. Their needs are still great, but there are some observers returning from Europe who say that they are eighty percent of their normal production. It may be that notwithstanding the individual cases that we hear of, of great hardship, yet they over there may have acquired some of our habits and are glad to take all they can get. Please do not misunderstand me. The suffering is great, and we must not discontinue our efforts. But it is a relief to know that possibly the whole situation is not so bad as we might expect.

LORD'S ADMONITION TO PARENTS

Now I would like to read to you a little scripture to conclude with. In November of 1831 the Lord said:

"Again, inasmuch as parents have children in Zion, or in any of her stakes which are organized, that teach them not to understand the doctrine of repentance, faith in Christ the Son of the living God, and of baptism and the gift of the Holy Ghost by the laying on of the hands, when eight years old, the sin be upon the heads of the parents." (D. & C. 68:25.)

Furthermore in the same revelation:

"Now, I the Lord, am not well pleased with the inhabitants of Zion, for there are idlers among them; and their children are also growing up in wickedness; they also seek not earnestly the riches of eternity, but their eyes are full of greediness." (Ibid., 68:31.)

The First Presidency of the Church was organized March 18, 1833. On May 6 the Lord gave a revelation regarding the conditions with reference to the children, and he began with the First Presidency, and I will read what he said:

"But verily I say unto you my servant Frederick G. Williams, you have continued under this condemnation;

"You have not taught your children light and truth, according to the commandments; and that wicked one hath power, as yet, over you, and this is the cause of your affliction.

"And now a commandment I give unto you—if you will be delivered you shall set in order your own house, for there are many things that are not right in your house.

"Verily, I say unto my servant Sidney Rigdon, that in some things he hath not kept the commandments concerning his children; therefore, first set in order thy house."

And then to the Prophet he says:

"Verily, I say unto my servant Joseph, Jun., or in other words, I will call you friends, for you are my friends, and ye shall have an inheritance with me—

"I called you servants for the world's sake, and ye are their servants for my sake—

"And now, verily I say unto Joseph Smith, Jun.—You have not kept the commandments, and must needs stand rebuked before the Lord;

"Your family must needs repent and forsake some things, and give more earnest heed unto your sayings, or be removed out of their place.

"What I say unto one I say unto all; pray always lest that wicked one have power in you and remove you out of your place."

And then he goes to the bishop:

"My servant Newel K. Whitney also, a bishop of my church, hath need to be chastened, and set in order his family, and see that they are more diligent and concerned at home, and pray always, or they shall be removed out of their place." (*Ibid.*, 93:41-50.)

PRESENT NEED FOR PARENTAL GUIDANCE

As has already been said in this conference, these principles are as applicable today as they were at the time when the Lord gave them. Some of us sometimes think that these messages addressed to particular persons in the Doctrine and Covenants during the early days, are not applicable to us. I have always felt and believed that out of every personal revelation given in those early days, and given today, there is a lesson to the whole Church.

You parents need to instruct your children, to admonish them, and then yourselves so to live that they may emulate your example. I do not know whether you have thought of this fact, and fact I think it is: we have become so fearful about our children that discipline has too largely disappeared. The youth of today are very largely by their insistent requests, sometimes demands, directing the course of action of the whole world. We are so keen and anxious, as we should be, to keep them near us so that they will live properly that we are almost giving them everything they ask without any thought as to whether it is wise or unwise.

I appeal to you parents, take nothing for granted about your children. The great bulk of them, of course, are good but some of us do not know when they begin to go away from the path of truth and righteousness. Be watchful every day and hour. Never relax your care, your solicitude. Rule kindly in the spirit of the gospel and the spirit of the priesthood, but rule, if you wish your children to follow the right path. Now I am not talking about cruelty; I am not talking about whippings. Those are the recourses and the last recourses, of the unrighteous man. I am talking to you about loving them, bringing them to you, but always giving them counsel.

May God always be with us and help us to do his service and increase our testimonies; bring to us a testimony that Joseph Smith was the instrument through whom God restored the gospel and the priesthood. If that were not true, we would have nothing. It is true, and you should so teach the youth. Do not be fearful to tell the facts about your religion. Teach Jesus the Christ, the Son of God; teach Joseph the Prophet; teach God as a being who loves his children; and by your own lives and examples see that your children know that that is what you believe. And you teachers, see that your students know that is what you believe.

God bless us, I pray in the name of Jesus Christ. Amen.

President George Albert Smith:

President J. Reuben Clark, Jr., of the First Presidency has just read the financial statement and a summary of the Church's Welfare activity, and also given us some advice and counsel and has borne his testimony to us. I trust we can retain as far as possible the things we have heard.

We will now have a report from Elder Orval W. Adams, which is the report of the Church Auditing Committee.

REPORT OF CHURCH AUDITING COMMITTEE

Salt Lake City, Utah
March 30, 1948

President George Albert Smith and Counselors

Dear Brethren:

Your Committee has reviewed the Annual Financial Report of the Church of Jesus Christ of Latter-day Saints for the year ending December 31, 1947. Meticulous care has been taken from year to year in the preparation of a comprehensive budget system, providing control to safeguard the expenditure of the funds of the Church, which funds are being conserved with great care and expended only after thoughtful and careful consideration. The review of the

records discloses the Church to be in strong financial condition and free from debt.

Respectfully submitted

Orval W. Adams

Albert E. Bowen

George S. Spencer

Harold H. Bennett

Church Auditing Committee

The Ricks College Choir joined with the congregation in singing the hymn, "O Ye Mountains High," (Hymn Book, page 378; L.D.S. Hymns No. 338.)

ELDER THOMAS D. REES

Former President of the Australian Mission

A few months ago Sister Rees and I bade goodbye to our fine saints in far-away sunny Australia. It was a sad day for us to leave that wonderful country and our fine people. The Australian people are a fine, progressive people, dynamic in their ways. Just before our leaving, out of the clouds that bank along the coast came a clipper from over the Pacific Sea and as it landed there stepped from it Elder Matthew Cowley of the Quorum of the Twelve. With him was President Charles B. Richmond and Sister Richmond. To the Australian Saints and to the mission the coming of Elder Cowley is a great event in the life and the history of that mission. They had known that he had been appointed to preside over the Pacific Missions and that Australia, that great island continent was a part of his mission.

Visits from the First Presidency or the Quorum of the Twelve had been far between. Ten years ago President George Albert Smith and the late Rufus K. Hardy came into that mission. The people were thrilled to meet one of the Quorum of the Twelve, and now they are thrilled to say, "We know the president of our great Church," and they rejoice and are happy to say that they have met him and spoken to him and heard him bless them. This, too, was a wonderful event. Eighteen years previous to that time Elder David O. McKay and Brother Hugh J. Cannon came to that great mission to visit, to see and meet those people, and it is one of the events that they still love to speak about. When you speak of that event to those who met them their eyes sparkle and their faces light up, and they say, "I have seen a servant of God and heard him speak." It is a wonderful thing now that they have President Cowley to visit them often. They feel that they are closer to the head here in Zion and they are happy. I want to say too, that the missionaries in those far-flung islands are happy, and the mission presidents that are so far away from each other will be glad to see him and to have his counsel about things pertaining to their great missions. When Elder Cowley met with the saints they gave him